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FOREIGN SERVICE DESPATCH

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TO : THE DEPARTMENT OF STATE, WASHINGTON.

September 4, 1952

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SUBJECT: Visit to Austria of Senator Robert C. Hendrickson and Working Party of Refugee and Escapee Subcommittee of the Senate Judiciary Committee

Senator Hendrickson and a party consisting of Messrs. Richard and William Arens, Frank Schroeder, Drury Blair, and William Webster arrived in Linz by car from Munich during the afternoon of Sunday, August 31, 1952.

Senator Hendrickson was Deputy Military Governor of Linz for several months at the close of the war. He had specifically requested that he be afforded an opportunity to exchange views with his old friend Dr. Gleisner, now Governor of Upper Austria. He and Mrs. Hendrickson, therefore, entertained the Landeshauptmann at supper that evening.

On September 1, all members of the party called on the Governor. They then inspected, first, Camp Spaderhof in Linz. This is the MIS Interrogation Center for newly arrived refugees. The group also inspected Camp 1001 in Wels where there is a large concentration of PEP eligibles. During a brief session prior to luncheon, the group discussed refugee matters with the Representative in Austria of the United Nations High Commissioner for Refugees as well as the Chief, Liaison Office for PICMTE in Austria. Both were requested to prepare memoranda for the Committee and submit them through the Chief of the Displaced Persons Branch of the Embassy. They agreed to do so.

In the afternoon commencing at 2:30 and lasting until 5:00, the Committee conducted an interrogation of the PEP staff and had presented to it an analysis of the refugee problem in Austria which was heavily weighted with material regarding PEP eligibles and PEP projects. There is enclosed a copy of the remarks prepared and delivered by the Chief of the Displaced Persons Branch of the Embassy on this occasion.

In addition to this material, members of the Committee were given a detailed description of the procedures developed for the submission of projects and the methods used to safeguard the expenditure of public funds under PEP. This part of the briefing was done by Mr. George Warren, Jr., Chief of the PEP Country Unit.

At least a half hour was devoted to an explanation of the security procedures developed jointly between USCOA and USFA for the screening of PEP eligibles. The afternoon session was also attended by Colonel Bothwell, Chief of G-2, USFA, Salzburg, Major Flatley of the same office as well as Mr. Rothlein (Chief, Security Branch, Embassy), Mr. Lehmann representing USCOA Liaison, and [REDACTED]

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At the conclusion of the briefing, Mr. Arens, Staff Director of the Committee, Room 4490, Senate Office Building, requested a copy of the statement prepared by the Chief of the Displaced Persons Branch. He was informed that since this statement contained classified material, it would be made available to him through the Department. It is, therefore, specifically requested that unless the Department perceives objections, a copy of this enclosure be prepared in the Department for submission to Mr. Arens.

All members of the Committee expressed themselves as approving those alterations in their itinerary which made it possible for them to spend at least one day looking into the refugee problem in Austria. In general, the questions asked by members of the group revealed a broad interest in refugee problems and less confusion in thinking about them than had been apparent during their visit in the Trieste-Venice area.

A concerted effort was made to present to the group in Wels a comprehensive and clear picture of PEP on the operating level. It was repeatedly stressed that intelligence data obtained from new arrivals is of high value to those directly concerned with United States national security, both in Austria and in Washington. This view was amply sustained by the Chief of G-2, USFA and one of the favorable results of the Committee's visit was to further strengthen the mutual interest of G-2 and PEP in Austria in the operations of this program. The Department is assured that those responsible for PEP operations have no intention of permitting PEP to interest itself directly in intelligence either at the interrogation or the operating level. There is a clear cut understanding as to the spheres of activity between USFA and USCOA on this matter. It is important, however, in Austria for PEP to rely on USFA for implementation of the security investigations that are required under PEP.

In general, it may be said that the Senate group seems to be thinking along the lines of blanketing all of the miscellaneous refugee operations of governmental, intergovernmental, United Nations, and voluntary agencies under one heading with the thought that legislation might be prepared which would cut out a good deal of overlapping and duplication of funds. The group, at least in so far as one can determine from the voluble participation of Mr. Richard Arens, has difficulty in understanding why the United States, for example, should have more of an interest in the Iron Curtain escapees than does a country of resettlement. It was pointed out repeatedly for his benefit that the United States secures valuable intelligence data from new arrivals, that it desires to stimulate and keep active the flow of new arrivals; that prior to PEP the escapees was "milked" of information and discarded by United States authorities.

The Embassy respectfully suggests that the Department might find it useful to afford an opportunity to the PSB, (CIA) and the National Security Council to give testimony before this group on its return at the end of September. Quite apart from other refugee matters of interest to the Subcommittee, Iron Curtain escapees offer very special and highly important possibilities in the field of national defense. Furthermore, the Embassy has the impression that members of

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the Senate group would benefit from an explanation of the objectives underlying PEP and the classified nature of some of its component operations.

FOR THE AMBASSADOR:

Walter Dowling
Deputy High Commissioner

Enclosure:
Statement made by the Chief,
D.P. Branch, Embassy

cc: Wels